

8 JUL 2024

MEMORANDUM

From: Real Estate Director, Naval Facilities Engineering Command Northwest

To: Interested Parties (Navy Competitive Lease Procurement)

Subj: Tips for Lease Solicitation for Offers (SFO) Submissions

Ref: (a) SFOs N4425524RP00021 through N4425524RP00024

Encl: (1) Tips for Submitting Offers to Navy Lease Solicitations

1. In the above referenced Solicitations for Offers, posted to SAM.GOV during Fiscal Year 2024, Navy requested offers for leased space to meet requirements of the Shipyard Infrastructure Optimization Program (SIOP) at Puget Sound Naval Shipyard (PSNS). The number, scope, and scale of these leasing efforts are unusual for the Navy in this region and the local market is unfamiliar with many of the Government's standard competitive lease policies and practices. This memo is issued to provide feedback and suggestions to interested parties.

2. Enclosed are tips for submitting offers based on the review of offers which have come in to date. The most important thing to understand is that Offerors who can meet the Navy's stated minimum requirements and terms should review the solicitation very carefully and adhere to the instructions. As stated in the SFO, failure to do so is at Offeror's risk and may result in disqualification. The enclosed document provides additional discussion.

3. The SFOs request a lot of information and set forth lengthy and detailed requirements. Underlying it all is an extremely important Navy mission which relies on Navy Real Estate to procure high-quality, fully mission-capable facilities with experienced, professional, top-performing Lessors providing the "best value" among their competitors. The SIOP program is just getting started in the Northwest and additional lease actions are expected in the future. We encourage all prospective Offerors to review the information contained in this memo and thank each of the Offerors who have provided submissions to date.

Tips for Submitting Offers to Navy Lease Solicitations

1. **TECHNICAL REQUIREMENTS.** Navy must meet its minimum technical/facility requirements. Offers submitted which do not meet stated SFO requirements (*such as offering property “as-is” when “as-is” does not meet the described requirement*) will not be successful. In addition, any offers submitted which significantly exceed stated navy requirements should demonstrate their competitive “best value” to the Government, highlighting lessor-provided amenities not charged, and/or providing rationale for the Government to consider a higher price or additional cost for the additional value or benefits received. GSA Form 3516 (SFO Attachment F) discusses Offerors' ability to diverge from stated requirements. (See 1. (c) (7).)
2. **TERMS.** Navy provides, and clearly articulates its terms and standard clauses. An example of this is a one-year lease term, renewable annually, subject to appropriations. Offers which do not conform to this requirement will be rejected. Navy simply cannot agree to terms which exceed its legal, statutory & fiscal authority.

Note: While a one-year term may seem risky at first glance, the annual Operations and Maintenance (O & M) appropriations, which most Navy leases fall under, are the main source of funds which provide for continuous Navy facilities operations and mission sustainment. Even during periods where Congress passes stop-gap “continuing resolution” appropriations bills, agencies are funded at the same level as the previous year.

3. **SUBMISSIONS.** Offerors who can meet the Navy's stated minimum requirements and terms should review the solicitation very carefully and adhere to the instructions (SFO Section 2.1). As stated in the SFO, failure to do so is at Offeror's risk.

It is important to note that under a competitive lease procurement, the Government may seek clarifications/corrections to submissions which have minor flaws but are under no obligation to do so, as stated in the SFO. Here are some examples of weaknesses and deficiencies in offer which should be avoided:

- a. **Math and rounding errors.** Ensure all math adds up correctly as price evaluation will include detailed review and Navy cannot award a lease, which contractually obligates federal funding, with math errors.
- b. **Fundamental incomplete or missing information.** In addition to some specifics mentioned below, there are minimum required pieces of information without which the Government cannot evaluate, let alone award an offer. *For example, stating "TBD" for rent, taxes, tenant improvements, security costs, maintenance or utilities services, or crossing out Navy's required terms as mentioned in 2. above is considered non-responsive.*
- c. **Proof of ownership and authority to negotiate/**enter into contract with the Government must be provided. This requirement is found in SFO Section 2.1.B under "PART A. COVER LETTER WITH RENTAL OFFER".
- d. **Use of separate forms.** While an offeror may choose to provide additional or duplicative information on their own forms or flyers, they must still submit information on forms and in format as described in the SFO. *A marketing flyer, for example, can be provided in addition to the SFO requirements, but is not an acceptable substitute for stated requirements, such as narrative descriptions or sketches which must be to scale and clearly show offered space.* In addition, information provided must be consistent throughout the proposal.
- e. **Missing Attachments.** Offerors must ensure all forms required to be attached are completed and included in submission. Some attachments may be accidentally overlooked, such as attachments G, H, or I. Completion of forms includes signatures and initials where indicated.